

SHEARWATER CONDOMINIUM ASSOCIATION  
BUDGET HEARING  
MAY 21, 2012

PRESENT: Gerri Smith, President  
Frances Higgins, Vice-President  
Barbara Britt, Secretary  
Phil Hatchard, Treasurer  
Ron Faulkner, Director/Grounds & Landscape Committee Chairperson  
Linda Lawrence, Director  
Jonathan Lewis, Director

ALSO PRESENT: See Sign-In Sheet  
Eric Petterson & Skip Smith, Dockmaster  
Rainette Bannon, Architectural Committee  
Heather Gummel, Brodie Management  
Sherri Kennedy, Recording Secretary

**Call to Order**

Gerri Smith, President, called the Shearwater Condominium Annual Meeting to order at 7:03 P.M. The meeting was held at the Shearwater Clubhouse.

**TREASURER'S REPORT – Phil Hatchard:**

- A proposed 2012/2013 annual budget was mailed to all homeowners and copies were available at the meeting. The proposed budget includes a 3% increase for the upcoming fiscal year.

**OPEN FORUM**

- Rainette Bannon is against an increase in the assessment. Gerri Smith reported that a 10% increase in the annual assessment last year was due to a lack of increase in four years. A 3% increase is necessary due to the increase in operating costs. There was an increase in the water fees (they have more than doubled) and general maintenance. Rainette Bannon would rather have a special assessment than an increase in the condominium fees.
- Carol Schaake believes that the condominium fees should be increased regularly to support the expenses and avoid such large increases.
- Phil Hatchard reported that the special assessment failed. Many of the owners that were present at the Special Assessment meeting were not opposed to a special assessment per se, but were not anxious to put out money unless the quality of work improves. Based on the comments at the last meeting, the Board has voted to hire a professional engineer to make recommendations, write a scope of work, and possibly oversee the job to ensure quality workmanship. The proposed budget does not include the items that will be covered in the special assessment. If the next proposed special assessment does not pass, the Board will have to raise the fees to cover the cost of a loan because the building repairs must be completed. The Board would like to thank Greg Baelstro for putting together the specifications for hiring an engineer. The specifications have gone out to three engineers and may possibly be sent to one additional engineer. The return date of the proposals is May 25<sup>th</sup>.
- Jonathan Lewis explained that the operating budget is going to increase with the age of the buildings. If the buildings are not properly maintained, the property values will decrease.
- Based on his real estate experience, Frank Bolling explained that buyers are looking at the cost of condominium fees when purchasing units. Condominiums have suffered the most in the Annapolis market and agents must inform buyers of fee increases and proposed special assessments.
- The Board discussed some of the items included in the general maintenance line item and advised all homeowners to review the Miller Dodson Reserve Study which is located on the community website. The development of the budget is based on the recommendations offered in this study. There is a five year plan which is modified annually. There should only be an assessment increase based on inflation over the next five years if the deck replacement issue is resolved.

**2012/2013 BUDGET**

- Phil Hatchard moved to accept the 2012/2013 annual budget with a 3% increase as proposed. Ron Faulkner seconded the motion and it carried unanimously.

**NEXT BOARD MEETING:**

The next Board of Directors Meeting is scheduled for Monday, June 18<sup>th</sup>.

**ADJOURNMENT:**

With no further business to discuss Ron Faulkner moved to adjourn the meeting. Jonathan Lewis seconded the motion and the meeting was adjourned at 8:05 P.M.

Respectfully Submitted,

Sherri Kennedy, Recording Secretary

Approved: \_\_\_\_\_

Date: \_\_\_\_\_